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**CALCASIEU PARISH PUBLIC  
TRUST AUTHORITY**

**Financial Statements**

**With Independent Auditors' Report**

**May 31, 2010**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 11/24/10

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## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of  
Calcasieu Parish Public Trust Authority  
Lake Charles, Louisiana

We have audited the accompanying statement of assets, liabilities and net assets of the Calcasieu Parish Public Trust Authority (the Authority), a component unit of the Calcasieu Parish Police Jury, as of May 31, 2010 and the related statement of revenues, expenses and changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of each of the individual programs and the unrestricted fund of the Calcasieu Parish Public Trust Authority as of May 31, 2010 and the result of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 9, 2010 on our consideration of the Calcasieu Parish Public Trust Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be considered in assessing the results of our audit.

To the Board of Trustees  
Calcasieu Parish Public Trust Authority  
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Management's discussion and analysis on pages 5 through 8 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. This supplementary information is the responsibility of the Authority's management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit such information and we do not express an opinion on it.

*Langley, Witham & Co., LLP*

November 9, 2010

## **CALCASIEU PARISH PUBLIC TRUST AUTHORITY**

### **Management's Discussion and Analysis**

**May 31, 2010**

This section of the Calcasieu Parish Public Trust Authority's (the Authority) financial report presents a discussion and analysis of the Authority's financial performance during the fiscal year that ended May 31, 2010. Please read it in conjunction with the Authority's financial statements, which follow this section.

### **FINANCIAL HIGHLIGHTS**

The Authority implemented GASBS 34 *Basic Financial Statements – and Management's Discussion and Analysis for the State and Local Governments*, in fiscal year 2003. The Authority is a component unit of the Parish of Calcasieu, Louisiana.

The Authority's equity represents 13.52% of its assets. With total assets approximating \$36,593,000 the Authority realized operating income in the amount of \$164,000 for the fiscal year ended May 31, 2010 compared to an operating income of \$356,000 for fiscal year ended May 31, 2009.

The Authority's net assets increased from \$4,782,000 as of May 31, 2009 to \$4,946,000 as of May 31, 2010.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This financial report consists of four parts: management's discussion and analysis (this section), the basic financial statements, the notes to the financial statements, and supplementary information.

The financial statements provide both long-term and short-term information about the Authority's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of other supplementary information that further explains and supports the information in the financial statements.

The Authority's financial statements are prepared on an accrual basis in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. Under this basis of accounting, revenues are recognized in the period in which they are earned and expenses are recognized in the period in which they are incurred. All assets and liabilities associated with the operation on the Authority are included in the Statements of Asset, Liabilities and Net Assets.

Statements of Asset, Liabilities and Net Assets report the Authority's net assets. Net assets, the difference between the Authority's assets and liabilities, are one way to measure the Authority's financial health or position.

# CALCASIEU PARISH PUBLIC TRUST AUTHORITY

## Management's Discussion and Analysis

May 31, 2010

### FINANCIAL ANALYSIS OF THE AUTHORITY

#### Net Assets

The Authority's total net assets at May 31, 2010 were \$4,946,000, an increase of 3.4% from net assets as of May 31, 2009 in the amount of \$4,782,000 (See Table A-1). Total assets decreased 16.8% to \$36,593,000, and total liabilities decreased 19.3% to \$31,646,000. The decrease in total assets is primarily due to a decrease in mortgage loans and mortgage-backed securities. The decrease in total liabilities is due to repayment of bonds payable.

**Table A-1**  
**Calcasieu Parish Public Trust Authority**  
**(in thousands of dollars)**

	2010	2009	Increase (Decrease)
Cash and cash equivalents	\$ 1,480	\$ 4,923	\$ (3,443)
Investments	11,741	11,951	(210)
Mortgage-backed securities and loans	22,741	26,388	(3,647)
Other assets	631	734	(103)
<b>Total assets</b>	<b>\$ 36,593</b>	<b>\$ 43,996</b>	<b>\$ (7,403)</b>
Other liabilities	\$ 277	\$ 404	\$ (128)
Bonds payable	31,370	38,809	(7,440)
<b>Total liabilities</b>	<b>31,646</b>	<b>39,214</b>	<b>(7,567)</b>
<b>Net Asset:</b>			
Restricted for debt	1,310	1,991	(681)
Unrestricted	3,636	2,791	845
<b>Total liabilities and net assets</b>	<b>\$ 36,593</b>	<b>\$ 43,996</b>	<b>\$ (7,403)</b>

# CALCASIEU PARISH PUBLIC TRUST AUTHORITY

## Management's Discussion and Analysis

May 31, 2010

### Changes in Net Assets

The change in net assets from operations at May 31, 2010 was an increase of \$164,000 compared to an increase of \$356,000 at May 31, 2009. Total operating revenues increased by 25.4% to \$1,996,000 and total operating expenses decreased by 21.0% to \$1,832,000. The decrease in revenue is due to the decrease in mortgage backed securities therefore earning less interest and the decrease in operating expenses was caused primarily by paying less interest because of the decrease in bonds payable. The changes in net assets are detailed in Table A-2; operating expenses are detailed in Table A-3.

The increase in net assets is primarily a result of the operating revenues in excess of operating expenses.

**Table A-2**  
**Calcasieu Parish Public Trust Authority's Changes in Net Assets**  
**(in thousands of dollars)**

	<u>2010</u>	<u>2009</u>	<u>Increase (Decrease)</u>
Operating revenues:			
Investment income	\$ 1,773	\$ 2,262	\$ (490)
Unrealized gain on investments	217	409	(192)
Other	<u>5</u>	<u>5</u>	<u>1</u>
Total operating revenues	1,996	2,676	(681)
Operating expenses	<u>1,832</u>	<u>2,320</u>	<u>(489)</u>
Change in net assets	164	356	(192)
Total net assets, beginning of the year	<u>4,782</u>	<u>4,426</u>	<u>356</u>
Total net assets, end of the year	<u>\$ 4,946</u>	<u>\$ 4,782</u>	<u>\$ 164</u>

# CALCASIEU PARISH PUBLIC TRUST AUTHORITY

## Management's Discussion and Analysis

May 31, 2010

### Change in Net Assets – (Continued)

**Table A-3**  
**Calcasieu Parish Public Trust Authority's Operating Expenses**  
**(in thousands of dollars)**

	<u>2010</u>	<u>2009</u>	<u>Increase (Decrease)</u>
Interest on debt	\$ 1,564	\$ 1,984	\$ (420)
Amortization of bond issuance and other costs	74	25	49
Servicing and financing fees	1	17	(16)
Other	194	294	(100)
Total operating expenses	<u>\$ 1,832</u>	<u>\$ 2,320</u>	<u>\$ (488)</u>

### DEBT ADMINISTRATION

#### Debt Administration

Total indebtedness for bonds payable was \$31,370,000 as of May 31, 2010 compared to \$38,809,000 as of May 31, 2009. The decrease in bonds payable was from principal payments on current bonds. There was no issuance of bonds during the fiscal year end May 31, 2010.

All bond debt covenants have been met.

### CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our bondholders, patrons, and other interested parties with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Calcasieu Parish Public Trust Authority at (337) 721-3650.

**CALCASIEU PARISH PUBLIC TRUST AUTHORITY**  
**Statements of Assets, Liabilities, and Net Assets**  
**May 31, 2010**

Assets	1989 Bond Fund	2000 Bond Fund	2001 Bond Fund	2002A Bond Fund	2003 Bond Fund
Cash and cash equivalents	\$ 1,000	\$ 19,830	\$ 60,960	\$ 5,603	\$ 42,214
Investment securities at fair value	-	11,865	223,214	25,747	149,198
Mortgage-backed securities and loans	-	315,923	2,818,457	391,356	2,460,132
Accrued interest receivable	-	1,969	14,188	2,202	10,565
Bond issuance costs	-	2,338	86,015	9,434	21,710
<b>Total assets</b>	<b>\$ 1,000</b>	<b>\$ 351,925</b>	<b>\$ 3,202,834</b>	<b>\$ 434,342</b>	<b>\$ 2,683,819</b>

**Liabilities and Net Assets**

<b>Liabilities:</b>					
Accounts payable	\$ -	\$ 999	\$ 1,000	\$ -	\$ -
Bonds payable	-	322,632	3,079,785	127,762	2,572,632
Accrued interest payable	-	3,106	28,121	1,094	20,095
<b>Total liabilities</b>	<b>-</b>	<b>326,737</b>	<b>3,108,906</b>	<b>128,856</b>	<b>2,592,727</b>
<b>Net assets:</b>					
Restricted for debt	1,000	25,168	93,928	305,486	91,092
Unrestricted	-	-	-	-	-
<b>Total net assets</b>	<b>1,000</b>	<b>25,168</b>	<b>93,928</b>	<b>305,486</b>	<b>91,092</b>
<b>Total liabilities and net assets</b>	<b>\$ 1,000</b>	<b>\$ 351,925</b>	<b>\$ 3,202,834</b>	<b>\$ 434,342</b>	<b>\$ 2,683,819</b>

(Continued)

**CALCASIEU PARISH PUBLIC TRUST AUTHORITY**  
**Statements of Assets, Liabilities, and Net Assets**  
**May 31, 2010**

Assets	2004B Bond Fund	2006A Bond Fund	2006B Bond Fund	Operating Fund	Combined Totals
Cash and cash equivalents	\$ 117,774	\$ 323,988	\$ 316,052	\$ 592,543	\$ 1,479,964
Investment securities at fair value	-	2,267,513	6,943,612	2,120,005	11,741,154
Mortgage-backed securities and loans	6,045,119	4,789,801	5,031,061	889,320	22,741,169
Accrued interest receivable	25,624	28,782	52,994	37,705	174,029
Bond issuance costs	184,975	95,317	56,908	-	456,697
<b>Total assets</b>	<b>\$ 6,373,492</b>	<b>\$ 7,505,401</b>	<b>\$ 12,400,627</b>	<b>\$ 3,639,573</b>	<b>\$ 36,593,013</b>

**Liabilities and Net Assets**

<b>Liabilities:</b>					
Accounts payable	\$ 12,539	\$ -	\$ -	\$ 3,400	\$ 17,938
Bonds payable	6,181,892	7,125,896	11,959,224	-	31,369,843
Accrued interest payable	25,922	31,018	149,324	-	258,680
<b>Total liabilities</b>	<b>6,220,353</b>	<b>7,156,914</b>	<b>12,108,548</b>	<b>3,400</b>	<b>31,646,461</b>
<b>Net assets:</b>					
Restricted for debt	153,139	348,487	292,079	-	1,310,379
Unrestricted	-	-	-	3,636,173	3,636,173
<b>Total net assets</b>	<b>153,139</b>	<b>348,487</b>	<b>292,079</b>	<b>3,636,173</b>	<b>4,946,552</b>
<b>Total liabilities and net assets</b>	<b>\$ 6,373,492</b>	<b>\$ 7,505,401</b>	<b>\$ 12,400,627</b>	<b>\$ 3,639,573</b>	<b>\$ 36,593,013</b>

See notes to financial statements.

(Continued)

# CALCASIEU PARISH PUBLIC TRUST AUTHORITY

## Statements of Revenues, Expenses, and Changes in Net Assets

For the Year Ended May 31, 2010

	1989 Bond Fund	1998 Bond Fund	2000 Bond Fund	2001 Bond Fund	2002A Bond Fund	2002B Bond Fund	2003 Bond Fund
<b>Operating revenues:</b>							
Investment income on mortgage loans	\$ 1,312	\$ -	\$ 20,883	\$ 158,237	\$ 19,543	\$ 15,001	\$ 124,315
Investment income on other securities	-	633	2,815	14,778	4,110	1	2,112
Unrealized gain (loss) on investments	-	-	-	-	-	-	-
Fees	-	-	-	-	-	1,863	-
<b>Total operating revenues</b>	<b>1,312</b>	<b>633</b>	<b>23,698</b>	<b>173,015</b>	<b>23,653</b>	<b>16,865</b>	<b>126,427</b>
<b>Operating expenses:</b>							
Interest on debt	1,169	296	17,693	172,832	12,973	-	115,493
Amortization of bond issuance costs and other costs	1,227	19,860	296	10,272	3,466	-	1,641
Servicing and financing fees	-	-	1,525	4,148	1,666	-	1,322
Trustee fees	3	-	129	1,386	2,500	-	2,500
Professional fees	9,500	-	-	1,000	51,000	-	-
Other operating expenses	-	-	-	-	-	290	-
<b>Total operating expenses</b>	<b>11,899</b>	<b>20,156</b>	<b>19,643</b>	<b>189,638</b>	<b>71,605</b>	<b>290</b>	<b>120,956</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(10,587)</b>	<b>(19,523)</b>	<b>4,055</b>	<b>(16,623)</b>	<b>(47,952)</b>	<b>16,575</b>	<b>5,471</b>
<b>Other Financing Sources (Uses)</b>							
Operating Transfer In	10,916	-	-	-	337,660	-	-
Operating Transfer Out	-	(489,422)	-	-	-	(675,755)	-
<b>Total other financing sources (uses)</b>	<b>10,916</b>	<b>(489,422)</b>	<b>-</b>	<b>-</b>	<b>337,660</b>	<b>(675,755)</b>	<b>-</b>
<b>Change in net assets</b>	<b>349</b>	<b>(508,945)</b>	<b>4,055</b>	<b>(16,623)</b>	<b>289,708</b>	<b>(659,180)</b>	<b>5,471</b>
<b>Net assets- beginning of year</b>	<b>651</b>	<b>508,945</b>	<b>21,113</b>	<b>110,551</b>	<b>15,778</b>	<b>659,180</b>	<b>85,621</b>
<b>Net assets- end of year</b>	<b>\$ 1,000</b>	<b>\$ -</b>	<b>\$ 25,168</b>	<b>\$ 93,928</b>	<b>\$ 305,486</b>	<b>\$ -</b>	<b>\$ 91,092</b>

(Continued)

# CALCASIEU PARISH PUBLIC TRUST AUTHORITY

## Statements of Revenues, Expenses, and Changes in Net Assets

For the Year Ended May 31, 2010

	2004B Bond Fund	2006A Bond Fund	2006B Bond Fund	Operating Fund	Eliminating Entries	Combined Totals
<b>Operating revenues:</b>						
Investment income on mortgage loans	\$ 314,203	\$ 379,895	\$ 592,767	\$ 62,564	\$ -	\$ 1,688,740
Investment income on other securities	-	4	21,196	38,753	-	84,402
Unrealized gain (loss) on investments	-	67,887	164,365	(14,824)	-	217,428
Fees	-	-	-	46,850	(43,285)	5,428
<b>Total operating revenues</b>	<b>314,203</b>	<b>447,786</b>	<b>778,328</b>	<b>133,343</b>	<b>(43,285)</b>	<b>1,995,998</b>
<b>Operating expenses:</b>						
Interest on debt	312,047	356,524	574,519	-	-	1,563,546
Amortization of bond issuance costs and other costs	12,833	17,144	6,939	-	-	73,678
Servicing and financing fees	4,866	13,545	17,213	-	(43,285)	1,000
Trustee fees	1,705	2,893	4,756	11,923	-	27,795
Professional fees	1,500	4,000	5,400	57,952	-	130,352
Other operating expenses	-	-	-	35,077	-	35,367
<b>Total operating expenses</b>	<b>332,951</b>	<b>394,106</b>	<b>608,827</b>	<b>104,952</b>	<b>(43,285)</b>	<b>1,831,738</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(18,748)</b>	<b>53,680</b>	<b>169,501</b>	<b>28,391</b>	<b>-</b>	<b>164,260</b>
<b>Other Financing Sources (Uses)</b>						
Operating Transfer In	-	-	-	1,165,177	(1,513,753)	-
Operating Transfer Out	-	-	-	(348,576)	1,513,753	-
<b>Change in net assets</b>	<b>(18,748)</b>	<b>53,680</b>	<b>169,501</b>	<b>844,992</b>	<b>-</b>	<b>164,260</b>
<b>Net assets- beginning of year</b>	<b>171,887</b>	<b>294,807</b>	<b>122,578</b>	<b>2,791,181</b>	<b>-</b>	<b>4,782,292</b>
<b>Net assets- end of year</b>	<b>\$ 153,139</b>	<b>\$ 348,487</b>	<b>\$ 292,079</b>	<b>\$ 3,636,173</b>	<b>\$ -</b>	<b>\$ 4,946,552</b>

See notes to financial statements.

(Continued)

# CALCASIEU PARISH PUBLIC TRUST AUTHORITY

## Statements of Cash Flows

For the Year Ended May 31, 2010

	1989 Bond Fund	1998 Bond Fund	2000 Bond Fund	2001 Bond Fund	2002A Bond Fund	2002B Bond Fund	2003 Bond Fund
<b>Cash Flows From Operating Activities:</b>							
Excess (deficiency) of revenues over expenditures:	\$ (10,567)	\$ (19,523)	\$ 4,055	\$ (16,623)	\$ (47,952)	\$ 16,575	\$ 5,471
Adjustments to reconcile to net cash provided by (used in) operating activities:							
Unrealized gain (loss) on investments	1,227	28,249	296	10,272	3,464	-	1,641
Amortization, net of accretion	10,916	(489,422)	-	-	337,660	(675,755)	-
Interfund transactions							
Net changes in:							
Accrued interest and fees receivable	410	-	1,235	4,663	945	350	690
Accounts payable	(926)	(63,000)	999	1,000	(1,000)	-	-
Accrued interest payable	(406)	(21,307)	(2,186)	(6,555)	(4,623)	(2)	(2,466)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>654</b>	<b>(565,003)</b>	<b>4,399</b>	<b>(7,243)</b>	<b>288,494</b>	<b>(658,832)</b>	<b>5,336</b>
<b>Cash Flows From Financing Activities:</b>							
Principal payments on bonds	(61,938)	(2,317,337)	(196,663)	(703,636)	(471,527)	-	(309,666)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(61,938)</b>	<b>(2,317,337)</b>	<b>(196,663)</b>	<b>(703,636)</b>	<b>(471,527)</b>	<b>-</b>	<b>(309,666)</b>
<b>Cash Flows From Investing Activities:</b>							
Collections and sales of mortgage loans receivable	61,560	-	111,903	862,652	198,601	-	168,119
Purchases of mortgage loans	-	-	-	-	-	-	-
Proceeds from investment securities maturities	-	-	227,440	888,479	503,332	270,830	432,417
Purchases of investment securities	-	-	(143,735)	(1,045,739)	(515,289)	-	(478,610)
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	<b>61,560</b>	<b>-</b>	<b>195,608</b>	<b>705,392</b>	<b>186,644</b>	<b>270,830</b>	<b>121,926</b>
<b>Net increase (decrease) in cash</b>	<b>276</b>	<b>(2,882,340)</b>	<b>3,344</b>	<b>(5,487)</b>	<b>3,611</b>	<b>(388,002)</b>	<b>(182,404)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>724</b>	<b>2,882,340</b>	<b>16,486</b>	<b>66,447</b>	<b>1,992</b>	<b>388,002</b>	<b>224,618</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 1,000</b>	<b>\$ -</b>	<b>\$ 19,830</b>	<b>\$ -60,960</b>	<b>\$ 5,603</b>	<b>\$ -</b>	<b>\$ 42,214</b>

(Continued)

# CALCASIEU PARISH PUBLIC TRUST AUTHORITY

## Statements of Cash Flows

For the Year Ended May 31, 2010

	2004B Bond Fund	2006A Bond Fund	2006B Bond Fund	Operating Fund	Combined Totals
<b>Cash Flows From Operating Activities:</b>					
Excess (deficiency) of revenues over expenditures:	\$ (18,748)	\$ 53,680	\$ 169,501	\$ 28,391	\$ 164,260
Adjustments to reconcile to net cash provided by (used in) operating activities:					
Unrealized gain (loss) on investments	-	(67,887)	(164,365)	14,824	(217,428)
Amortization, net of accretion	17,012	17,144	6,939	-	86,244
Interfund transactions	-	-	-	816,601	-
Net changes in:					
Accrued interest and fees receivable	3,651	7,868	7,038	(9,809)	17,041
Accounts payable	(63)	(1,487)	-	(1,999)	(66,476)
Accrued interest payable	(3,103)	(4,090)	(16,366)	-	(61,104)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>(1,251)</b>	<b>5,228</b>	<b>2,747</b>	<b>848,008</b>	<b>(77,463)</b>
<b>Cash Flows From Financing Activities:</b>					
Principal payments on bonds	(724,045)	(1,230,845)	(1,423,962)	-	(7,439,619)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(724,045)</b>	<b>(1,230,845)</b>	<b>(1,423,962)</b>	<b>-</b>	<b>(7,439,619)</b>
<b>Cash Flows From Investing Activities:</b>					
Collections and sales of mortgage loans receivable	645,875	946,184	564,232	307,103	3,866,229
Purchases of mortgage loans	-	-	-	(490,335)	(490,335)
Proceeds from investment securities maturities	-	172,909	2,760,334	673,059	5,928,800
Purchases of investment securities	-	-	(1,891,141)	(1,156,502)	(5,231,016)
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	<b>645,875</b>	<b>1,119,093</b>	<b>1,433,425</b>	<b>(666,675)</b>	<b>4,073,678</b>
<b>Net increase (decrease) in cash</b>	<b>(79,421)</b>	<b>(106,524)</b>	<b>12,210</b>	<b>181,333</b>	<b>(3,443,404)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>197,195</b>	<b>430,512</b>	<b>303,842</b>	<b>411,210</b>	<b>4,923,368</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 117,774</b>	<b>\$ 323,988</b>	<b>\$ 316,052</b>	<b>\$ 592,543</b>	<b>\$ 1,479,964</b>

See notes to financial statements.

(Continued)

# **CALCASIEU PARISH PUBLIC TRUST AUTHORITY**

## **Notes to Financial Statements**

**May 31, 2010**

### **1. Organization**

The Calcasieu Parish Public Trust Authority was created through a trust indenture dated May 14, 1979, pursuant to provisions of Chapter 2-A of Title 9 of the Louisiana Revised Statutes of 1950, as amended. The Authority is a legal entity separate and apart from the parish government, although the parish government is the ultimate beneficiary of all residuals of the trust estate. The initial legislation and subsequent amendments grant the Authority the right to obtain resources to promote the financing and development of any essential program conducted in the public's interest within the boundaries of Calcasieu Parish, Louisiana. The Authority's primary activities involve the issuance of bonds to obtain resources for the purpose of assisting in the financing of housing needs for persons of low and moderate incomes in Calcasieu Parish.

The bonds are solely the obligations of the Authority and are payable from revenues derived from mortgage loans, mortgage-backed securities and investments acquired pursuant to the indentures to which such bonds relate. The bonds are not obligations of Calcasieu Parish or any other governmental entity.

The Authority is managed by a Board of Trustees empowered to contract with outside parties to conduct the operations of the various programs. The Authority also contracts with national banking institutions to serve as trustee for each of its bond programs or as its custodial bank for the Authority's unrestricted resources.

The financial statements of the individual bond funds are presented on a combined basis. All interfund transactions have been eliminated. The Authority maintains a separate self-balancing set of books (a fund) for each bond program and an operating fund to account for its unrestricted assets. The assets of each individual bond fund are restricted under the related bond indentures. Accordingly, the combined totals on the financial statements are not intended to indicate that the combined assets are available for any purpose due to the contractual restrictions imposed on certain assets and the income derived there from. Additionally, the combined totals do not present consolidated financial information. Included in the totals are unrestricted assets that are available to the Authority for its unrestricted use.

### **2. Summary of Significant Accounting Policies**

#### **Basis of Presentation**

The Authority adopted the provisions of Governmental Accounting Standards Board Statement No. 34 *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* (Statement 34) in 2003. Statement 34 established financial reporting standards for all state and local governments and related entities. Statement 34 primarily related to presentation and disclosure requirements and had no impact on total net assets presented.

# **CALCASIEU PARISH PUBLIC TRUST AUTHORITY**

## **Notes to Financial Statements**

May 31, 2010

### **2. Summary of Significant Accounting Policies- (Continued)**

#### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The accounting policies of the Authority conform to accounting principles generally accepted in the United States of America as applicable to governments. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses, excluding amortization, are recorded when a liability is incurred, regardless of the timing of related cash flows. The Authority has no government or fiduciary funds.

The Authority used fund accounting to report its financial position and results of operations. The accounts of the Authority are organized on the basis of individual programs. The Programs, which are administered by a trustee bank, provide for a separate set of self-balancing accounts, which account for bonds issued, debt service and bond redemption requirements, investments, and related revenues and operating expenses. These individual Programs are aggregated in the financial statements to comprise the fund of the Authority.

The Authority's accounts are organized into a single proprietary fund. The enterprise fund (a proprietary fund) is used to account for operations (a) that are operated in a manner similar to private business where the intent of the governing body is that the cost (expense, including depreciation) of providing goods and services to the general public is financed or recovered primarily through user charges or (b) where the governing body has decided that the periodic determination of revenues earned, expenses incurred and/or changes in net assets is appropriate for capital maintenance.

The Authority's principal operating revenues are the interest and appreciation (depreciation) related to investments and mortgages/mortgage-backed securities. The Authority applies all applicable FASB pronouncements issued on or before November 30, 1989 in accounting for its operations unless those pronouncements conflict or contradict GASB pronouncements.

The Authority's financial statements are presented in accordance with generally accepted accounting principles adopted by the Governmental Accounting Standards Board (GASB) as applicable to all state and local governments.

#### **Cash Equivalents**

Cash and cash equivalents are stated at cost which approximates fair market value. For financial statement and cash flow purposes, the Authority considers cash, demand deposits, certificates of deposit and debt instruments purchased with an original maturity of three months or less to be cash equivalents.

# **CALCASIEU PARISH PUBLIC TRUST AUTHORITY**

## **Notes to Financial Statements**

**May 31, 2010**

### **2. Summary of Significant Accounting Policies- (Continued)**

#### **Investment Securities**

As required by GASB Statement No. 25, investments are reported at fair value which is the amount at which a financial instrument could be exchanged in a current transaction between willing parties and has generally been based upon quoted values. This method of accounting causes fluctuations in reported investment values based on fluctuations in the investment market. Fluctuations in the fair value of investments are recorded as income or expense in the statements of revenues, expenses and changes in net assets, and the amount is disclosed in the statements of cash flows as unrealized gain (loss) on investments.

#### **Mortgage-Backed Securities**

Mortgage-backed securities are stated at cost, adjusted for amortization of premiums and accretion of fees and discounts using a method that approximates level yields. These securities are issued by the Government National Mortgage Association (GNMA) or the Federal National Mortgage Association (FNMA). Such securities are backed by mortgage loans originated in Calcasieu Parish, Louisiana. Monthly payments of principal and interest are passed through to the Authority to finance debt service payments and other administrative costs. The Authority has adequate liquidity and capital, and it is generally the Board's intention to hold such assets to maturity. Should any be sold, gains and losses will be recognized based on the specific identification method. These securities bear the following terms and interest rates:

	<u>Term</u>	<u>Pass Through Interest Rate</u>
1989 Bond Fund	30 Years	8.00%
2000 Bond Fund	30 Years	7.00%
2001 Bond Fund	30 Years	5.20% to 6.05%
2002B Bond Fund	30 Years	5.50%
2003 Bond Fund	30 Years	5.00%
2004B Bond Fund	30 Years	4.45% to 5.5%
2006A Bond Fund	30 Years	5.35%
2006B Bond Fund	30 Years	5.35%
Operating Fund	30 Years	3.25% to 7.25%

# **CALCASIEU PARISH PUBLIC TRUST AUTHORITY**

## **Notes to Financial Statements**

**May 31, 2010**

### **2. Summary of Significant Accounting Policies- (Continued)**

#### **Mortgage Loans Receivable**

Mortgage loans receivable are stated at unpaid principal balances, less the deferred revenues received for its commitment to purchase the loans. The deferred revenues are amortized over the life of the loan and recognized as a component of investment income. In the event of an extraordinary mandatory redemption of the bonds due to non-origination of mortgage loans, the entire unamortized balance is recognized as commitment fee income.

The allowance for loan losses is increased by charges to income and recoveries and decreased by charge-offs. Management's periodic evaluation of the adequacy of the allowance is based on the Authority's past loan loss experience, current economic conditions, insurance protection provided against possible loan losses and any other factors which require consideration in estimating such losses. No allowance is necessary since losses are fully insured.

#### **Real Estate Acquired Through Foreclosures**

Real estate properties acquired through loan foreclosure are initially recorded at the unpaid principal balance of the loan. Costs relating to improving the property are capitalized. This real estate must be restored to its original condition, normal wear and tear expected, before the mortgage insurance coverage applies. The excess of the unpaid principal and accrued interest balances over sales proceeds realized is reimbursed under various insurance overages.

#### **Deferred Financing Costs**

The cost of issuing mortgage revenue bonds are deferred and amortized over the life of the bonds as a financing expense. In the event all remaining bonds outstanding under a particular issue are retired, the unamortized balance is recognized as a component of the loss from the early extinguishment of debt.

#### **Bond Discounts**

Original issue discounts realized upon issuance of bonds are deferred and presented as a reduction of the face amount of bonds payable on the balance sheet. The deferred amount is amortized over the life of the bonds as a component of interest expense. In the event all remaining bonds outstanding under a particular issue are retired, the unamortized balance is recognized as a component of the loss from the early extinguishment of debt.

# **CALCASIEU PARISH PUBLIC TRUST AUTHORITY**

## **Notes to Financial Statements**

**May 31, 2010**

### **2. Summary of Significant Accounting Policies- (Continued)**

#### **Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and changes in net assets during the reporting period. Actual results could differ from those estimates.

#### **Reclassifications**

Certain revenues and expenses have been reclassified in the statement of revenues, expenses and changes in net assets for the fiscal year ended May 31, 2009 to conform to the presentation for the fiscal year ended May 31, 2010.

### **3. Cash and Cash Equivalents**

Cash and cash equivalents include bank accounts and short-term investments.

#### **Custodial Credit Risk- Deposits**

Custodial credit risk is the risk that in the event of bank failure the Authority's deposits may not be returned. Deposits are exposed to custodial credit risk if they are either (a) uninsured and uncollateralized, or (b) uninsured and collateralized with securities held by the pledging financial institution or its trust department/agent but not in the name of the Authority.

The Authority had bank balances totaling \$1,480,084 at May 31, 2010. The FDIC insured cash and cash equivalents in the amount of \$1,061,452 at May 31, 2010. The remaining balance of \$418,632 at May 31, 2010 was uninsured and uncollateralized with securities held by the pledging financial institution or its trust department/agent but not in the name of the Authority.

# CALCASIEU PARISH PUBLIC TRUST AUTHORITY

## Notes to Financial Statements

May 31, 2010

### 4. Investment Securities

The following chart represents the investments and maturities of the Authority as of May 31, 2010.

	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury Notes	\$ 1,381,704	\$ 20,440	\$ 1,361,264	\$ -	\$ -
Investment Agreements	997,586	-	-	-	997,586
Federal Home Loan Bank	20,588	20,588	-	-	-
Federal Home Loan Mortgage Corp.	9,250,152	50,219	576,370	-	8,623,563
Federal Farm Credit Bank	65,630	-	65,630	-	-
Citigroup Funding, Inc.	25,495	-	25,495	-	-
Totals	<u>\$ 11,741,154</u>	<u>\$ 91,246</u>	<u>\$ 2,028,759</u>	<u>\$ -</u>	<u>\$9,621,149</u>

Citigroup Funding, Inc. is a FDIC insured note under the temporary liquidity guarantee program (TLGP). TLGP was created by the FDIC to strengthen confidence and encourage liquidity in the banking system by guaranteeing newly issued senior unsecured debt of banks, thrifts, and certain holding companies, and by providing full coverage of non-interest bearing deposit transaction accounts, regardless of dollar amount.

### Credit Risk- Investments

Investments permitted by state statute include obligations issued, insured or guaranteed by the U.S. government including certificates or other evidences of ownership interest in such obligations and/or investments in registered mutual or trust funds consisting solely of U.S. government securities.

### Custodial Credit Risk- Investments

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The Authority does not have a formal policy for custodial credit risk.

# CALCASIEU PARISH PUBLIC TRUST AUTHORITY

## Notes to Financial Statements

May 31, 2010

### 5. Mortgage-Backed Securities and Loans

The following chart presents the mortgage-backed securities of the Authority as of May 31, 2010. The amortized cost and approximate market value of the securities are:

	Amortized Cost	Unrealized Gain (Loss)	Market Value
GNMA	\$ 11,999,503	\$ 610,178	\$ 12,609,681
FNMA	10,565,295	447,162	11,012,457
	<u>\$ 22,564,798</u>	<u>\$ 1,057,340</u>	<u>\$ 23,622,138</u>

The amortized cost and estimated market value of investment securities, at May 31, 2010, by contractual maturity, are shown below. Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Amortized Cost	Estimated Fair Value
Amounts maturing in:		
One year or less	\$ -	\$ -
After one year through five years	597,930	603,783
After five years through ten years	-	-
After ten years	21,966,868	23,018,355
	<u>\$ 22,564,798</u>	<u>\$ 23,622,138</u>

Monthly principal and interest payments from the GNMA and FNMA mortgage-backed securities are guaranteed by GNMA and FNMA. Payments flow through to the holders of the Mortgage Revenue Bonds.

Mortgage loans receivables as of May 31, 2010 totaling \$176,371 in the operating fund are pledged as security on the Mortgage Revenue Refunding Bonds.

**CALCASIEU PARISH PUBLIC TRUST AUTHORITY**

**Notes to Financial Statements**

**May 31, 2010**

**6. Mortgage Revenue Bonds Payable**

Mortgage revenue bonds outstanding are as follows:

**May 31, 2010**

**2000 Series A:**

Fixed rate bonds dated April 1, 2000, due April 1, 2031  
bearing interest at 7.0% payable semiannually on  
April 1 and October 1.

**\$ 107,184**

Fixed rate bonds dated April 1, 2000, due October 1, 2031  
bearing interest at 7.0% payable semiannually on  
April 1 and October 1.

**215,468**

**2001 Series A:**

Fixed rate bonds dated April 1, 2001, due April 1, 2032,  
bearing interest at 6.05% payable semiannually on  
April 1 and October 1.

**2,629,740**

Fixed rate bonds dated April 1, 2001, due October 1, 2032,  
bearing interest at 5.85% payable semiannually on  
April 1 and October 1.

**450,045**

**2002 Series A:**

Fixed rate bonds dated April 1, 2002, due April 1, 2033,  
bearing interest at 4.5% until April 1, 2003 and 6.05%  
payable semiannually on April 1 and October 1.

**127,762**

**2003 Series B:**

Fixed note bonds dated August 15, 2003, due April 1, 2033,  
bearing interest at 5.0% payable semiannually on  
April 1 and October 1.

**75,645**

**CALCASIEU PARISH PUBLIC TRUST AUTHORITY**

**Notes to Financial Statements**

**May 31, 2010**

**6. Mortgage Revenue Bonds Payable- (Continued)**

**May 31, 2010**

**2003 Series B (Continued):**

Fixed rate bonds dated August 15, 2003, original amount of \$2,515,000 due April 1, 2028, original amount of \$2,095,000 due April 1, 2034, bearing interest at 5.0% payable semiannually on April 1 and October 1.	2,496,987
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**2004 Series B:**

Fixed note bonds dated August 5, 2004, due January 1, 2038, Bearing variable rates ranging from 5.07% to 5.27%, at May 31, 2010, payable monthly.	243,423
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Fixed note bonds dated August 5, 2004, due January 1, 2038, bearing variable rate of 5.22% at May 31, 2010, payable monthly.	309,598
---	---------

Fixed note bonds dated January 1, 2005, due January 1, 2038, bearing variable interest rates ranging from 5.07% to 5.27%, at May 31, 2010, payable monthly.	1,368,323
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Fixed note bonds dated February 6, 2006, due January 1, 2038, bearing variable rate of 5.12% at May 31, 2010, payable monthly.	637,853
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Fixed note bonds dated March 1, 2006, due January 1, 2038, bearing variable rate of 5.22% at May 31, 2010, payable monthly.	309,486
--	---------

Fixed note bonds dated April 1, 2006, due January 1, 2038, bearing variable rate of 5.42% at May 31, 2010, payable monthly.	281,467
--	---------

Fixed note bonds dated July 1, 2006, due January 1, 2038, bearing variable rate of 5.32% at May 31, 2010, payable monthly.	1,027,231
---	-----------

Fixed note bonds dated October 1, 2006, due January 1, 2038, bearing variable rates ranging from 5.07% to 5.27%, at May 31, 2010, payable monthly.	2,004,510
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# **CALCASIEU PARISH PUBLIC TRUST AUTHORITY**

## **Notes to Financial Statements**

**May 31, 2010**

### **6. Mortgage Revenue Bonds Payable- (Continued)**

**May 31, 2010**

**2006 Series A:**

Fixed rate bonds dated May 1, 2007, due June 1, 2038,  
Bearing interest at 5.35% payable monthly.

7,125,896

**2006 Series B:**

Fixed rate bonds dated November 28, 2006, due  
September 1, 2038, bearing interest at 5.35% payable  
semiannually.

11,959,225

**\$ 31,369,843**

The bonds are subject to early redemption provisions as described in the Bond Trust Indentures at redemption prices equal to the principal amounts of the bonds redeemed plus accrued interest to the applicable call dates. In connection with early bond redemptions, deferred financing costs related to the bonds called are charged to expense.

A summary of changes in debt during the year ended May 31, 2010, is as follows:

Beginning- June 1, 2009	\$ 42,622,533
Proceeds from new issuances	-
Repayments and other	<u>(11,252,690)</u>
Balance- May 31, 2010	<u><u>\$ 31,369,843</u></u>

Debt maturities and sinking fund requirements during each of the five years ending May 31, 2011 through May 31, 2015 and thereafter are as follows:

<u>Ending May 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 1,218,744	\$ 1,561,679	\$ 2,780,423
2012	1,216,346	1,502,226	2,718,572
2013	1,213,837	1,442,774	2,656,611
2014	1,211,212	1,383,321	2,594,533
2015	1,208,466	1,323,869	2,532,335
Thereafter	<u>25,301,238</u>	<u>14,263,209</u>	<u>39,564,447</u>
	<b><u>\$ 31,369,843</u></b>	<b><u>\$ 21,477,078</u></b>	<b><u>\$ 52,846,921</u></b>

# **CALCASIEU PARISH PUBLIC TRUST AUTHORITY**

## **Notes to Financial Statements**

**May 31, 2010**

### **6. Mortgage Revenue Bonds Payable- (Continued)**

The 2000 Series A Bonds are subject to redemption at par at certain dates prior to their stated maturities when prepayments of the mortgage loans are deposited in certain redemption accounts equal \$5,000 or more. The bonds bear stated annual interest ranging from 7.0% to 7.8%. The bonds are subject to redemption, at the option and direction of the Authority, on or after April 1, 2010, at any time from available monies at a redemption price of 105% of the principal amount called. The early call premium is reduced 1% on each subsequent April 1 to a redemption price of 100% of the principal amount so called.

The 2001 Series A issue consists of \$1,555,000 in Program Bonds and \$8,810,000 in Premium Term Bonds. The Program Bonds are subject to redemption at par and the Premium Term Bonds are subject to redemption at 105% of the principal amount. Redemptions are allowed at certain dates prior to their stated maturities when prepayments of the mortgage loans are deposited in certain redemption accounts equal \$5,000 or more. The bonds bear stated annual interest ranging from 5.2% to 6.05%. The bonds are subject to redemption, at the option and direction of the Authority, on or after April 1, 2011, in whole or part at any time from available monies. Bonds maturing on October 1, 2016, are subject to optional redemption on or after April 1, 2011, at a redemption price of 103% of the principal amount called. Bonds maturing between April 1, 2011, and October 1, 2032, are subject to optional redemption on or after April 1, 2011, at a redemption price of 105% of the principal amount called. The early call premium is reduced 1% on each subsequent April 1 to a redemption price of 100% of the principal amount so called.

The 2002 Series A Bonds are subject to redemption at par at certain dates prior to their stated maturities, in part randomly by payment of sinking fund installments beginning on April 1, 2004. The bonds bear stated annual interest ranging from 5.75% to 6.05%. The bonds are subject to redemption, at the option and direction of the Authority, on or after April 1, 2012, at any time from available monies at a redemption price of 105% of the principal amount called. The early call premium is reduced 1% on each subsequent April 1 to a redemption price of 100% of the principal amount so called. The proceeds from these bonds were transferred to the 1991 Bond trustee to pay a portion of the principal redemption price of the 1991 bonds on July 1, 2002 in the amount of \$6,998,250.

The 2003 Series B Bonds are subject to mandatory redemption in part on April 1 and October 1 of each year, commencing October 1, 2004 at a redemption price equal to 100% of the principal amount thereof, together with interest accrued thereon to the redemption date through April 1, 2028 for the PAC bonds in the amount of \$2,515,000 and through April 1, 2034 for the Premium bonds in the amount of \$2,095,000. The bonds are subject to redemption, at the option and direction of the Authority, on or after April 1, 2013, at any time from available monies at a redemption price of 105% of the principal amount called. The early call premium is reduced 1% on each subsequent April 1 to a redemption price of 100% of the principal amount so called. The bonds bear a stated annual interest of 5.0%. These bond proceeds were used to refund certain Single Family Mortgage Revenue Refunding Bonds, 2002 Series A.

# **CALCASIEU PARISH PUBLIC TRUST AUTHORITY**

## **Notes to Financial Statements**

**May 31, 2010**

### **6. Mortgage Revenue Bonds Payable- (Continued)**

The 2004 B Bonds are subject to redemption at the option of the Issuer on January 1, 2005, or on any date, in whole or in part, at a redemption price equal to 100% of the principal amount thereof, together with interest accrued to, but excluding, such redemption date. The Bonds are subject to mandatory redemption in whole upon the occurrence of a Determination of Taxability on the first date subsequent to such a Determination of Taxability at a redemption price of 100% of the principal amount plus accrued interest to the redemption date. The Bonds are subject to mandatory redemption, in whole or in part on each Interest Payment Date, from money deposited in the Redemption Fund as a redemption price equal to 100% of the principal amount thereof.

The 2006 Series A and B Bonds are subject to redemption at the option of the Issuer on July 1, 2007 for Series A and November 1, 2007 for Series B, on any date, in whole or in part, at a redemption price equal to their Original Issue Price, together with interest accrued to, but excluding, such redemption date. The Bonds are subject to mandatory redemption, in whole or in part on each Interest Payment Date, from money deposited in the Redemption Fund on a pro-rata basis. The Series A Bonds are subject to redemption, at the option and direction of the Issuer, in whole or in part at any time on or after July 1, 2016, as provided at redemption prices beginning with 103.0%, declining in 0.5% increments each year until June 1, 2022. The bonds bear a stated annual interest of 5.35% and carry a premium price of 106.760%. The Series B Bonds are subject to redemption, at the option and direction of the Issuer, in whole or in part at any time on or after September 1, 2016, as provided at redemption prices beginning with 104.0%, declining in 0.5% increments each year until September 1, 2024. The bonds bear a stated annual interest of 5.35% and carry a premium price of 106.760%.

# CALCASIEU PARISH PUBLIC TRUST AUTHORITY

## Notes to Financial Statements

May 31, 2010

### 7. Revenue Bonds Payable

The revenue bond issues include a covenant which provides that the bonds are payable solely from payments made by the lessor or owner of the project financed by the bond proceeds. The Authority is under no obligation to pay the bonds from any other source. In accordance with industry standards, the debt and related capital leases are not recorded in the financial statements. The projects and related balances of the debt are as follows:

	<u>May 31, 2010</u>
1997 Series Bond Program, (WPT Corporation Project)	\$ 10,889,000
2004 Series (Racca Processing and Specialty Meat, LLC)	815,000
2001 Series (McNeese State University Student Housing-Cowboy Facilities Inc. Project)	18,510,000
2006 Series (McNeese State University Scoreboard -Cowboy Facilities Inc. Project)	1,100,000
2006 Series (Memorial Hospital Lease Agreements For Equipment)	3,090,589
2007 Series (National Networks)	685,000
2007 Series (Delta Equine Center, L.L.C. Project Gulf Zone Revenue Bonds)	2,640,000
2007 Series Gulf Opportunity Zone Revenue Bond (4211 Common Street, L.L.C. Project)	420,000
2007 Series (JEMCON L.L.C.)	850,000
2007 Series (Lake Hotel Group L.L.P.)	9,080,000
2007 Series (Falgoust Eye Medical Properties L.L.C.)	1,215,000
2007 Series (TLR Development L.L.C.)	610,000
2007 Series (Luxor, L.L.C.)	2,360,000
	<u>\$ 52,264,589</u>

# **CALCASIEU PARISH PUBLIC TRUST AUTHORITY**

## **Notes to Financial Statements**

**May 31, 2010**

### **8. Commitments and Contingencies**

The Calcasieu Parish Public Trust Authority is committed to issuing additional revenue bonds and mortgage credit certificates. The projects and related commitments are as follows:

#### **Revenue Bonds**

Sowela Tech	\$ 7,500,000	
Property Management, LLC	2,000,000	
Lake Charles Memorial Hospital Project	15,000,000	
Sugar Bowl 2004, LLC	<u>3,000,000</u>	
Total Revenue Bonds		\$ 27,500,000

#### **Mortgage Credit Certificates**

Mortgage Credit Certificate Program	<u>15,000,000</u>	
Total Mortgage Credit Certificates		15,000,000

<b>TOTAL COMMITMENTS</b>		<b><u><u>\$ 42,500,000</u></u></b>
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# CALCASIEU PARISH PUBLIC TRUST AUTHORITY

## Notes to Financial Statements

May 31, 2010

### 9. Related Party Transactions

The members of the Authority's Board of Trustees receive a per diem payment for each meeting attended and are reimbursed for actual expenses incurred in their capacity as trustees of the Authority. The following payments were made to the members of the Board of Trustees for per diem:

	May 31, 2010
Francis Bellows	\$ 1,350
Cheryl Burns	1,200
Herman Busch	1,800
Tim Castle	1,650
Doug Hinchee	1,800
Robert Jones	1,500
Jeffery Mathews	600
John Nash	1,650
Alvin Stevens	1,650
	<u>\$ 13,200</u>

### 10. Subsequent Events

The Management of the Authority has evaluated its May 31, 2010 financial statements for subsequent events through November 9, 2010, the date the financial statements were available to be issued. Management is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

## **OTHER INFORMATION**



# Langley, Williams & Company, L.L.C.

LESTER LANGLEY, JR.  
DANNY L. WILLIAMS  
MICHAEL F. CALLOURA  
PHILLIP D. ABSHIRE, JR.  
DAPHNE BORDELON-CLARK

## CERTIFIED PUBLIC ACCOUNTANTS

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MEMBERS OF-  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS  
TEXAS STATE BOARD  
OF PUBLIC ACCOUNTANCY  
PUBLIC COMPANY  
ACCOUNTING OVERSIGHT BOARD  
CENTER FOR PUBLIC  
COMPANY AUDIT FIRMS

## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Trustees  
Calcasieu Parish Public Trust Authority  
Lake Charles, LA

We have audited the financial statements of Calcasieu Parish Public Trust Authority as of and for the year ended May 31, 2010, and have issued our report thereon dated November 9, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Calcasieu Parish Public Trust Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Calcasieu Parish Public Trust Authority's internal controls over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Calcasieu Parish Public Trust Authority's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Calcasieu Parish Public Trust Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Calcasieu Parish Public Trust Authority, the Calcasieu Parish Public Trust Authority's management, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Lake Charles, LA  
November 9, 2010

*Langley, William C., III*